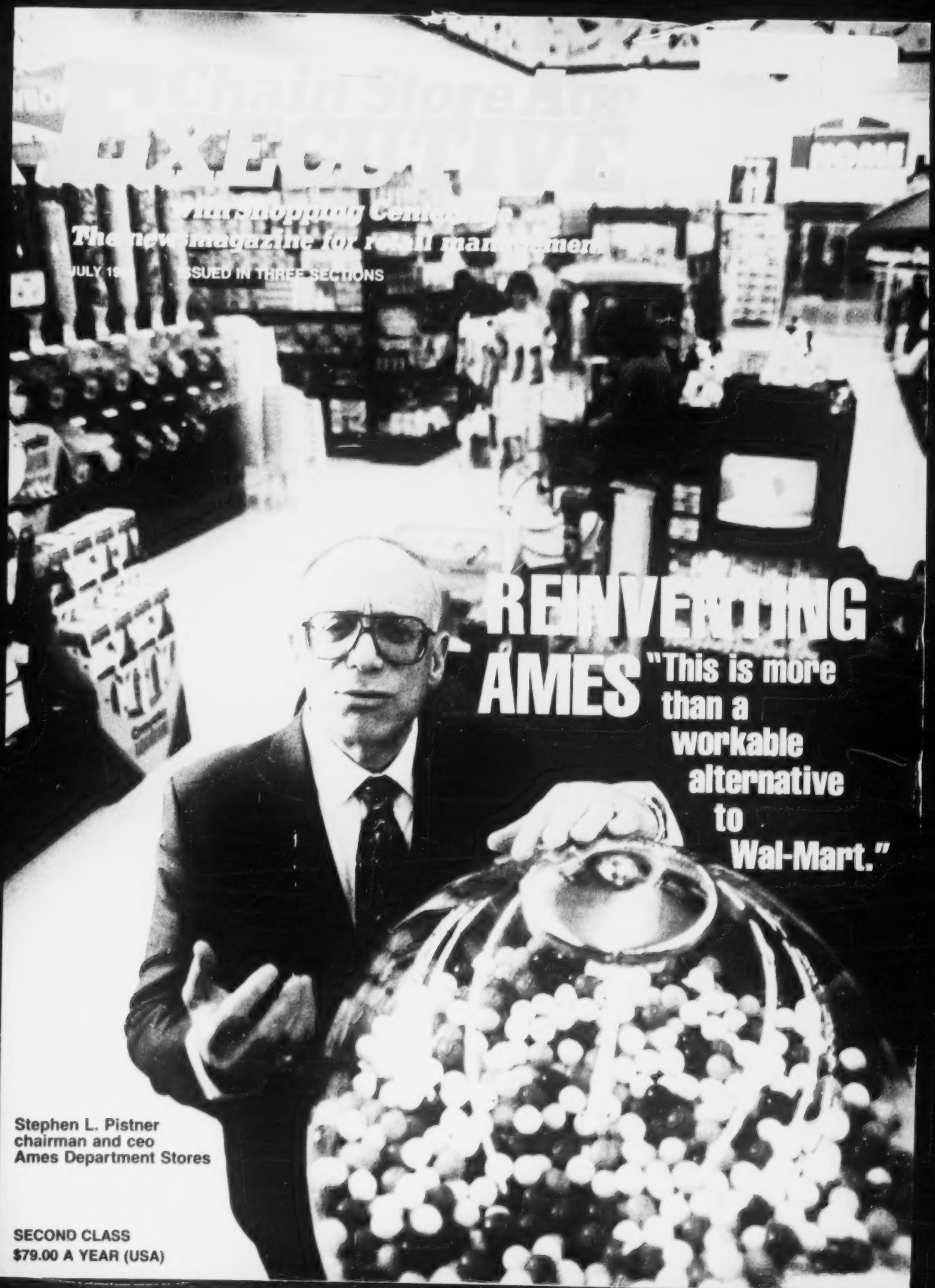

REINVENTING AMES

"This is more than a workable alternative to Wal-Mart."

Stephen L. Pistner
chairman and ceo
Ames Department Stores

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CONTENTS

GROSSMAN'S DRIVE-THROUGH LUMBER

A drive through lumber yard is one of the newest customer conveniences at Grossman's. 29

DEPARTMENTS

Strategy: The Los Angeles riots have put a new slant on the old question of how retailers can be successful in marketing to minorities. . . . 30

Cover Story: Upgraded design and merchandise mix of new Ames prototype reflect the discounter's specialty store positioning. 64

Finance: Category management requires that each product category be managed as a strategic business unit. 92

Quarterly revenue and earnings performances by retail segment. . . 97

May sales at J. C. Penney outpaced the industry for the third straight month. 101

RETAIL TECHNOLOGY

Point of Sale: Dick Bruhn Co. and SportStalker implement PCs with cash drawers as non-traditional solutions to their POS needs. 45

Wireless, portable POS terminals are great attention-grabbers, but the jury is still out on their impact. . 50

UPC: Belk credits the efforts of its third-party UPC catalog service in building its UPC program. 52

RT Forum: Proper data and analysis make it possible to project expected service costs for the remaining life of technology equipment. 62

New Products 58

Technically Speaking 60

On Line 63

SHOPPING CENTER AGE

Convention Wrap-Up: Deal makers were fewer in number, but better prepared, leading to one of the best ICSC Spring Conventions in years, developers say. 33

Brokerage: Finding the chains of the future and helping them grow requires more than just deal making for brokers. 34

Successful brokers now have to think like the retailers they represent to work effectively. 36

Networks allow brokers to swap information about sites and tenants. 38

Development Activity 39

Shopping Center Age News . . . 40

On the Level 41

On Center 42

STORE PLANNING/OPERATIONS

Physical Supports: *Chain Store Age Executive's* annual Physical Supports Census of 120 retail chains. 68

Fixtures: Retailers confront a jewel-box-only world. 72

Flooring: A vinyl product gives the appearance of wood without the problems at Eagle Country Market. 74

Floor Maintenance: Safeway employs a metal-free floor care system. 76

HVAC: Big Bear has installed a new heat pipe-enhanced desiccant system that reduces air conditioning load. 76

Lighting: Daffy's debuts energy-saving and image-enhancing lighting program at its new prototype. . . 80

Roofing: Important questions to ask about roofing warranties. 84

Ceilings: Warner Bros. Studio Store uses an open ceiling to give the feeling of being on a soundstage. 86

Signage: Ethan Allen's new contemporary logo; exterior signage energizes G.I. Joe's. 88

Retail Store of the Year Competition Call for Entries. 82

Shop Talk. 91

SPECIAL REPORT

Flooring: The Soft Option. . . . 21

SECTION TWO

The Future of POS: What's in store for retailers.

SECTION THREE

Directory of Fixture Manufacturers and Lighting Suppliers

From the Editor's Desk 8
Updates 13
Perspectives 19
Advertising Index 102

Dallas-based Weitzman Group, began working with Sfuzzi restaurants long before the ground floor. The original partners came to him about sites before they had left their jobs.

"We met on a Saturday and determined a good location. It was immediately successful. They opened another, and we worked on them with a joint venture structure," he says. The firm continues to represent the restaurant in its nationwide expansion.

"You do a lot of things where you become a de facto real estate department. You have all this energy," Weitzman says.

But energy can be misplaced, he warns, leading to a quick case of too much, too soon.

"It's exciting to grow a new concept, but also very difficult. It becomes a job of managing talent and keeping it in balance," Weitzman says.

Epsteen tells of an unnamed chain that simply grew too quickly for its own good. By the time the owner was ready to sell the chain, it had become too unwieldy for any purchaser.

"Timing can make a million-dollar difference," he says.

First, the broker has to convince both the retailer and the landlord to take a chance. With so many areas with depressed real estate values, the entrepreneur has an excellent opportunity to give his business a shot.

The landlord climate may be more receptive than in years. Developers, desperately looking to fill disturbing vacancies, are more willing to try a new chain—for the right price.

"You have to negotiate. The landlord will have to learn more about the company," says Richard Sapkin, managing broker for Denver-based HC Properties.

The broker's credibility with landlords through previous deals helps in selling the unknown.

"But because of our reputation and our involvement in retail, we have a lot of credibility. When you're looking at a concept, we'll have an advantage. We can help those retailers more," Buonanotte says.

But the wrong decisions can hurt those retailers more, as well. While a large chain can carry an underperforming unit for a time, an entrepreneur needs every dollar he can get.

"If a company expands from one store to two, and one fails, that company is out of business. The room for error is a lot less," Sapkin says.

But the lifeblood of future retail lies in these chains, helped by their friendly neighborhood brokers.

"It really isn't hard to find up-and-coming chains. There's no end to the mom and pop; the entrepreneurial retailer will continue to come up with new ideas," Weitzman says.

And those chains will continue to want the help of the local broker.

"We want to know what's going on in our target markets. Our brokers can tell us about things that haven't even happened yet," Haas says.

"It's certainly the most fun and exciting part of the business. It's not as financially rewarding as an Office Max deal, but it is more emotionally rewarding," Buonanotte says. ■

—Debra Hazel

While not utilizing its brokers *for lease negotiation, SportsTown has expanded beyond its Atlanta base to Texas and beyond.*

THINKING LIKE THE TENANT

KNOWING RETAILERS' NEEDS VITAL TO BROKERS

More and more these days, brokers are not just representing retailers while being paid by developers. They're thinking more and more like retailers, and doing more and more for their tenants.

That may be one of the greatest shifts that has occurred in the ever-changing retail brokerage business.

From knowing the psychographics of a market to teaching shopping center owners about their tenants to advising retailers on the permit process, brokers are becoming more entwined than ever with their retail clients.

"The age of the broker definitely has come," says Gerald S. Divaris, president of Virginia Beach, Va.-based Divaris Real Estate.

Going beyond the demographic numbers is the first, and perhaps most important aspect of brokerage.

"We know the demographics and the psychographics, what's available, what's in trouble," says Don Krieger, managing director of Terranomics Retail Brokerage, San Francisco.

That can be vital to retailers today, who are not settling for the secondary

and tertiary sites they may have jumped at just a few years ago.

"Today retailers want A sites, and there aren't too many of those available. You need someone there constantly looking for those sites," Krieger says.

Once those sites are located, the broker often has to educate the developer about the tenant, Divaris notes, adding teacher to the roles of the broker. Properly informing the landlord about the retailer entails understanding the retailer's point of view.

"We now have many brokers with a retail background," Divaris says.

Institutional owners, particularly, need to be educated about the realities of the retail market. Sometimes the relationship doesn't always work out, says Stephen Bittel, president of Miami-based Terranova Corp.

"We worked with an out of town institutional client with dreams of rents not possible in the market. We resigned the account," he says.

The fact that owners and developers are listening is a major attitude turnaround, in a short period of time.

"Up until three years ago, most owners and developers of retail didn't want to utilize brokers. The business has grown significantly as properties have sat empty," Bittel says.

The growth of institutional ownership of centers also has led to greater utilization of brokers. Downsizing at development firms has led to a greater reliance on outside brokers.

Developers are not the only companies examining their leasing staffs closely. As retail chains downsize their real estate departments, they are hiring brokers and other specialists to perform those functions. As often as not, the brokerage firm ends up coordinating the efforts.

High and Low Total Rent Tenants in U.S. Community Shopping Centers

High Rent Tenants	Median Total Rent per Square Foot of GLA
Automatic Teller Machines	$25.00
Costume Jewelry	18.81
Cookie shop	18.00
Candy and nuts	18.00
Key shop	16.86
Film processing store	15.00
Athletic footwear	14.50
Formal wear/rental	14.20
Jewelry	14.20
Cameras	14.00
Low Rent Tenants	
Variety store	3.38
Discount department store	3.38
Junior department store	3.55
Supermarket	3.84
Superstore	4.48
Showroom/catalog store	4.81
Home improvements	4.82
Superdrug	4.88
Cinemas	4.91
Service station	5.30

Source: *Dollars & Cents of Shopping Centers 1990*, Urban Land Institute

It can be easy in some ways, difficult in others. Many leasing reps once worked for developers, and know the ropes of negotiating a deal, and what each side is looking for. But while the negotiating skills are similar, attitudes may not be.

"We need to retrain leasing people that the quickest deal isn't necessarily the best one," Bittel says. Filling a vacancy quickly with a tenant that won't last benefits no one.

Finally, one can never totally predict what kind of help a tenant will ask of his broker. Work may not end once the deals are made.

"While we're not asked to get permits, we will check on time frames and find the right people to process them," says Ed LaGuardia, senior vp-retail properties at San Francisco-based Grubb & Ellis's Retail Tenant Services Group.

The firm also will help clients customize computer software that will help them analyze markets.

"Chains really do want brokers to do more, and if we can be of assistance, we will. Our goal is to be there until opening, if necessary," LaGuardia says.

That attitude is the result of a shift on the part of the brokerage community.

"We're not a brokerage company, we're a real estate services firm. We're part of the fabric of the community. Brokerage is just one of our services," says Mark Tanguay, president of Tanguay Burke Stratton, Chicago. ■

NETWORKING MORE THAN A SOCIAL TOOL FOR BROKERS

Eventually, many chains want to grow beyond their home territory. That could mean trouble for their local broker, who knows his area, but not necessarily one hundreds of miles away.

Enter the brokerage network. From Chain Links to International Realty Resources (IRR) to the Retail Brokers Network, brokers around the country are banding together to serve ever-expanding retailers.

The networks are tailor-made helpful to the large national chains, who are expanding in several diverse markets at once.

"Tenants are trying to get the best representation in each market, and the network works exceptionally well with large companies. When you're looking at major markets, they're a more effective force—and more effective to compete with firms such as Grubb & Ellis and CB Commercial, which have a national retail affiliation," says Charles Aug, managing partner of New York-based Garrick-Aug Worldwide, and president of Retail Brokers Network.

The network connection can also help fledgling members build their business, says David Bossy, principal of Oakbrook Terrace, Ill.-based Mid-America Corp., who credits his Chain Links affiliation with helping his 8-year-old company to grow.

Education is perhaps the best fringe benefit of the networks, who hear about established chains' needs and new retailers from their peers.

"We will invest the time to educate [a fellow network firm] to serve one of our clients," says Gerald S. Divaris, president of Divaris Real Estate, Virginia Beach, Va.

But not all developers remain convinced. Some brokers note that a few retailers prefer to deal with the same people. Other firms have yet to ally themselves with an established network.

"Virginia is not that large, and I'm usually on top of things. Our plate has been so full, and I can refer clients to other brokers," says Tredway Spratley, executive vp of Richmond, Va.-based Sigma Development, who is not allied with any network.

CONSTRUCTION COSTS DOWN

BUT SPENDING RISES FOR OTHER PHYSICAL SUPPORTS

Reason for Selecting a Physical Supports Resource

	Interior lighting 1992	HAVC 1992	Metal fixtures 1992	Wood fixtures 1992	Floor maintenance 1992
Price (lower cost/lowest bid)	30.6%	16.3%	30.7%	32.4%	24.4%
Quality	25.0	11.3	26.7	25.7	17.1
Good service/available/can get them to service it	12.5	15.0	13.9	14.9	24.4
Comes within our specs/bids	2.8	2.5	3.0	12.2	2.4
Sturdy/dependable product/well made/reliable/long lasting	15.3	18.8	25.7	10.8	7.3
Good/ease of maintenance	—	6.3	—	—	—
Have had good luck with the merchandise/happy with their merchandise performance	1.4	—	—	—	2.4
Have been dealing with them for years	26.4	28.8	28.7	12.2	12.2
Have what I like/ have design I like	11.1	12.5	7.9	16.2	—
Same day/fast service	2.8	1.3	5.9	8.1	2.4
Delivery when we want it/on time	2.8	2.5	11.9	6.8	—
Deal with them on a national basis/have national account with the	1.4	11.3	1.0	—	2.4
See them in all our stores	2.8	—	2.0	1.4	—
Availability	2.8	1.3	3.0	—	—
Custom made/custom make what we want	1.4	—	2.0	12.2	—
Ease of assembly/use	—	—	6.9	1.4	7.3
Their product is universal/ interchangeable	12.5	11.3	14.9	—	—
We have our own people/ it's in-house	—	—	—	—	—
Good salespeople	1.4	—	—	1.4	2.4
Local company	2.8	2.5	7.9	10.8	7.3
Looks good	—	—	—	—	—
Other	9.7	10.0	9.9	1.4	12.5
No answer	1.4	1.3	—	2.7	22.0

Source: *Chain Store Age Executive*/Leo J. Shapiro & Associates

Budget-conscious retail companies kept a tight rein on construction costs in 1991. Discount stores, drug stores, supermarkets, home centers and apparel specialty stores reduced their expenditures for new building shells (including roof, floors and walls). Only department stores were unable to cut costs.

Discount stores, for example, cut their construction spending in 1991 to $22.92 per square foot from $28.77 a year earlier, while drug stores reduced their spending to $32 from $33.56.

Home centers cut their costs to $19.55 per square foot from $23.42 and apparel specialty retailers reduced spending to $32.89 from $36.45.

Department stores, on the other hand, increased their construction spending to $45.78 per square foot from $37.42.

These are some of the findings of the *Chain Store Age Executive* Physical Supports Census, an exclusive poll of major retail chains that annually surveys construction, fixturing and maintenance costs.

The poll, conducted by Leo J. Shapiro & Associates, Chicago, surveyed officials from 120 retail companies, divided among supermarket, department, drug, discount, apparel specialty and home center operators. Together, these companies represented 14,124 stores with a total sales volume of $78.7 billion in 1991.

While the chains surveyed each year varies, they represent cross sections of the retail community, allowing year-to-year comparisons to be made. Some of the chains participating in this year's survey were: Merry-Go-Round, Edison Brothers, Venture, Clover, Jordan Marsh, Strawbridge & Clothier, Hess's, Lowe's, Ernst Home Centers, Edward Hines Lumber, Medicine Shoppe Int'l., Drug Emporium, Eckerd, Revco, Kroger, Bruno's, H.E. Butt Grocery and Giant Eagle.

Physical supports: While retailers held the line in 1991 on building shell construction costs, they were not so fortunate with physical support systems and maintenance. The average cost of most items increased from the 1990 survey to this year. The only exception was fixtures, where the average price dropped from $8.33 per

Store Size Decreases for Most Retailers

	Discount store 1992	Drug store 1992	Supermarket 1992	Department store 1992	Home center 1992	Specialty apparel 1992
Existing stores (average gross square feet)	66,813	16,978	38,629	137,381	25,700	12,629
Existing stores (average selling space)	53,450	12,971	27,697	107,157	19,840	10,469
Stores opened 1991 (average gross square feet)	78,308	16,355	46,278	123,455	29,500	12,191
Stores opened 1991 (average selling space)	58,888	12,790	33,829	98,147	25,104	10,423
Cost per square foot to erect building shell 1991	22.92	32.00	33.47	45.78	19.55	32.89

Source: *Chain Store Age Executive*/Leo J. Shapiro & Associates

Average Life Span of Physical Support Systems (Mean Years)

	Discount store 1992	Drug store 1992	Supermarket 1992	Department store 1992	Home center 1992	Specialty apparel 1992
Flooring	11	11	12	10	15	7
Ceilings	21	18	13	27	14	16
Fixtures	10	13	12	6	13	8
Interior lighting	13	19	15	23	15	15
Interior signage	6	8	9	6	7	5
Roofing	17	40	17	30	15	14
Floor maintenance equipment	9	6	6	7	7	5
HVAC	14	24	18	29	15	36

Source: *Chain Store Age Executive*/Leo J. Shapiro & Associates

Average Cost Per Square Foot of Physical Support Systems

	Discount store 1992	Drug store 1992	Supermarket 1992	Department store 1992	Home center 1992	Specialty apparel 1992
Interior lighting	$1.08	$1.69	$1.17	$1.88	$1.00	$2.08
Interior signage (excluding art and photography)	0.81	0.66	0.86	0.82	0.63	0.41
Flooring	1.66	1.75	1.75	4.56	1.18	4.28
Ceilings	1.22	1.55	1.19	2.57	0.84	2.11
Fixtures	6.17	6.64	10.32	8.06	5.83	8.70
Floor maintenance	0.72	0.59	1.07	0.72	0.15	0.88
HVAC	1.41	2.34	1.79	2.09	1.38	2.18
Roofing	2.19	2.88	2.54	2.75	1.83	0.75

Source: *Chain Store Age Executive*/Leo J. Shapiro & Associates

square foot in 1990 to an average of $7.77 this year.

Retailers spent an average $1.46 per square foot for interior lighting, up from $1 a year ago. Not surprisingly, lighting costs were highest in apparel specialty stores ($2.08) and department stores ($1.88). Drug stores spent an average of $1.69 on lighting (up from 74 cents a year ago), followed by supermarkets ($1.17) and discount stores ($1.08).

Floor maintenance costs were also up. According to the survey, the cost of floor maintenance has jumped from an average 21 cents per square foot in 1985 to 65 cents today. Costs were highest for supermarkets ($1.07 compared to 22 cents in 1990) and apparel specialty (88 cents compared to 11 cents).

Cost for heating, ventilation and air conditioning (HVAC) systems increased to an average of $1.86 per square foot compared with $1.70 in 1990. Drug stores spent on average $2.34 per square foot, followed by apparel specialty ($2.18). But HVAC costs decreased for discount stores ($1.41), supermarkets ($1.79) and department stores ($2.09).

The average cost per square foot for interior signage in 1991 was 72 cents, up from 42 cents in 1990. Supermarkets averaged 86 cents per square foot, followed by department stores (82 cents).

As already noted, the survey showed a decline in fixture costs. Discount stores spent an average of $8.50 per square foot for fixtures in 1990. This year, the price dropped to $6.17. Drug stores cut their fixture costs from 7.50 per square foot to $6.64.

Construction preferences held fairly steady with last year. According to the survey, single-ply membrane roofs have become the roofing of choice for a majority (63.7%) of retailers. Built-up roofs (BUR) ranked second.

Vinyl and carpet were the most popular flooring choices, followed by concrete and quarry tile.

The survey revealed that the recession has affected the way a majority (53.7%) of retailers buy physical supports. Asked specifically what they were doing to get more from the manufacturer for their dollar, many chains reported they were seeking more bids, demanding better prices and exploring alternative manufacturers.

Store size: The average size of all stores opened during the 12 months prior to the survey (or presently under construction) was 44,026 sq. ft. (compared to 56,248 sq. ft. in 1990). Downsizing was apparent nearly across the board. The average new drug store dropped to 16,355 sq. ft. in 1991 from 29,216 sq. ft. in 1990, while supermarkets dropped to an average 46,278 sq. ft. from 54,795 sq. ft.

But not every retail category is convinced that smaller is better. Discounters opened larger units in 1991 than the previous year, averaging 78,308 sq. ft. per store compared to last year's average of 71,274 sq. ft. ■

RETAILERS TEST OPTIONS FOR JEWEL-BOX CDs

NEW PACKAGING STANDARD GIVES WAY TO VARIOUS FIXTURING IDEAS

Phar-Mor uses the Lift system to display CDs. The 'live' product is kept behind the counter.

Like it or not, music store retailers will soon be forced to deal with the reality of a jewel-box-size only world. While store operators are still far from happy about the changeover, some predict that life after the longbox may not be that bad after all.

"We're a little nervous, but we feel confident that we can do as good a job without the longbox as we did with it," says Ken Chance, director of store planning and construction, Camelot Music, North Canton, Ohio, which operates approximately 320 stores.

The final nail was driven into the coffin of the controversial 6-in.-by-12-in. cardboard longbox by the National Association of Recording Merchandisers (NARM). In an about face, the group accepted the decision of the six major music manufacturers to adopt a new jewel-box-size packaging standard (5-in.-by-5½-in.) for all compact disc (CD) releases by April 1993.

Although the music manufacturers were careful to endorse a standard measurement and not a specific packaging format, it is widely accepted that the plastic jewel box—the accepted worldwide standard—will become the dominant packaging in the United States.

Phar-Mor: Most retailers have resigned themselves to the switch and are evaluating merchandising options to accommodate the smaller format. A few chains are even ahead of the game—Phar-Mor has equipped 220 of its music departments with a flip-through display system for jewel-box-size packages.

Under the system, which is provided by Lift Discplay, Edgewater, N.J., CDs are taken out of the package and kept in a locked storage counter behind the checkout. The empty jewel boxes are displayed on the selling floor in flip-through fixtures. Phar-Mor has been using the system for several years.

"We made the switch to Lift for the sake of practicality," says Paul Froehlich, spokesman, Phar-Mor, Youngstown, Ohio, which operates 294 stores. "The system made a lot of sense from both a security and space standpoint."

Phar-Mor plans to retrofit additional stores with Lift fixtures in 1992.

"The system has certainly served us well," adds Froehlich. "And the reaction of our customers has been positive."

The Lift system is particularly appealing to mass merchandisers because it is space efficient.

"We can fit more than 700 compact discs in up to a 4-ft. section," says Susanna Seirafi, marketing manager, Lift Discplay.

Phar-Mor has installed the full Lift system. But the company can adapt its product to meet retailers' specific needs, whether they be total refixturing or retrofitting.

Types of Fixtures Used

	Total 1992	Discount store 1992	Drug store 1992	Supermarket 1992	Department store 1992	Home center 1992	Specialty apparel 1992
Metal fixtures	89.3%	85.0%	85.0%	90.5%	95.2%	85.0%	94.7%
Shelving	90.9	95.0	80.0	95.2	100.0	80.00	94.7
Laminate	77.7	85.0	75.0	81.0	85.7	45.0	94.7
Gondolas	79.3	95.0	95.0	95.2	47.6	95.0	47.4
Wood fixtures	76.9	70.0	70.0	90.5	95.2	55.0	78.9
Small racks for accessories	71.9	80.0	75.0	57.1	90.5	50.0	78.9
Wall display units	80.2	80.0	75.0	61.9	100.0	75.0	89.5
Tables	71.9	90.0	40.0	90.5	95.2	30.0	84.2
Cases	73.6	85.0	75.0	100.0	95.2	35.0	47.4
Large racks for apparel	52.1	85.0	10.0	9.5	90.5	20.0	100.0
Glass cubes	38.0	60.0	30.0	14.3	85.7	—	36.8
Grid system	47.1	60.0	25.0	33.3	76.2	20.0	68.4
Showrooms	12.4	10.0	—	4.8	33.3	25.0	—
Mirrors	—	—	—	—	—	—	—
Rounders	—	—	—	—	—	—	—
Other	6.6	5.0	5.0	—	4.8	10.0	15.8

Note: Totals more than 100% due to multiple responses
Source: *Chain Store Age Executive*/Leo J. Shapiro & Associates

"You do not *have* to use the whole system," explains Seirafi. "The CD, for example, doesn't have to be kept behind the counter."

The cost of equipping a store with Lift fixtures varies according to the type of system used.

Camelot Music: Other alternatives are also being tested. Camelot Music has installed reusable, 6-in.-by-12-in. plastic keepers in some of its stores. Manufactured by Alpha Enterprises, East Canton, Ohio, the keeper fits into existing fixtures.

"We've had a great deal of success with the keeper," says Camelot's Chance. "We see it as a viable alterative for merchandising jewel-box-size CDs, particularly in existing locations."

Chance says one of the main advantages of the keeper is that it allows Camelot to use its existing bins.

"The keeper doesn't require refixturing, which is a big plus," he adds. "And it pops the CD up far enough so that people can read it. In addition, the size of the product provides a degree of security."

Under the keeper system, each CD must be popped into the keeper, which is later removed at the checkout and returned to the merchandising floor.

"It involves a little extra labor, but we think it is well worth the effort," Chance says.

The cost of the keeper varies according to the size of the order, ranging from 50 cents to 60 cents per piece. Alpha expects the price will come down with increased volume. ■

WOOD GIVES WAY TO VINYL

VINYL GIVES LOOK OF WOOD WITH LESS PROBLEMS

Type of Flooring Used							
	Total	Discount store	Drug store	Super market	Depart-ment	Home center	Specialty apparel
Vinyl	80.2%	85.0%	80.0%	90.5%	95.2%	70.0%	57.9%
Carpet	60.3	70.0	45.0	14.3	95.2	45.0	94.7
Concrete	47.9	50.0	25.0	57.1	42.9	85.0	26.3
Quarry tile	43.8	55.0	30.0	52.4	76.2	—	47.4
Hardwood	27.3	5.0	10.0	19.0	71.4	5.0	52.6
Terrazzo	23.1	15.0	25.0	23.8	42.9	—	31.6
Marble	23.1	5.0	—	4.8	85.7	—	42.1
Ceramic tile	10.7	10.0	5.0	4.8	14.3	—	31.6
V.C.T./VC Tile/ Vinyl composition tile	5.0	—	—	9.5	4.8	10.0	5.3
VAT	0.8	5.0	—	—	—	—	—
Other	10.7	5.0	—	38.1	4.8	10.0	5.3

Note: Totals more than 100% due to multiple responses

Source: *Chain Store Age Executive*/Leo J. Shapiro & Associates

Wood flooring can look beautiful and provide a natural look and warm residential feeling to a store.

But if the store is a supermarket, natural wood floors won't last too long. The constant foot traffic and use of shopping carts will quickly wear out the surface. The floors also require constant maintenance to prevent warping from spillage.

To get the look of wood without the problems, Milan, Ill.-based Eagle Country Market is utilizing a vinyl wood product in its 57,500-sq.-ft. Country Club Hills, Ill., store. The new store opened in August 1991.

"We utilized a vinyl wood on the floor both for its durability factor and ease of installation," says Jack Houston, senior designer at Oakbrook Terrace, Ill.-based Schafer Associates.

The floor is Tajima Vinyl's WoodLine, from Arlington Heights, Ill.-based Architectural Floor Systems.

The product comes in randomly sized planks, allowing for easy installation and replacement of worn units.

"The random length planks go down easily," Houston says.

Random sizing also gives more of a natural look, as real wood planks would be less uniform.

Perhaps most importantly, for both aesthetic and safety reasons, wear won't happen as rapidly, either.

"There is a much higher durability for running shopping carts over the floor. A natural wood would dent or scratch," Houston says. What began as a beautifully finished floor could rapidly degenerate into both an eyesore and a potential hazard.

Another natural element, water, was another factor in using the artificial wood. In fact, water is wood's greatest enemy.

"Water was our primary concern. It had to be a floor that could take water without danger of buckling," Houston says. The possibility of accidents, and subsequent lawsuits, due to a collapsed floor pointed strongly to using artificial materials.

So, too, does maintenance. Vinyl is simply easier to maintain, and therefore to avoid liability with, than the natural element.

The wood-like flooring at Eagle Country Markets is very much a design element. The material is utilized in the specialty store areas, and in the front of the store by the cashiers.

"Their power aisle also features the flooring. We concentrated on those areas," Houston says. However, the floor is used throughout the selling area.

The flooring enhances the overall design of the store as an updated open air "traditional country market."

Other elements of the design include an exposed ceiling, use of natural woods, crates and bushels throughout the fixturing, an earth-toned color palette, antique furniture and checkerboard patterns. The illusion is one of several small specialty food stores, under one roof.

The floor plan leads customers directly to produce, perishable and prepared foods, one of Eagle's strong points. The flooring directly around the deli, fish market and smokehouse areas are contrasting colored tile, to distinguish them from the power aisles.

Wood fixturing and the wood flooring are particularly emphasized at the checkout, which resembles a country lane.

"It gave a warmer, more residential, more inviting look to the store, a real country feeling," Houston says. ■

EARTH-FRIENDLY FLOOR CARE

SAFEWAY REAPS BENEFITS OF METAL-FREE SYSTEM

***Safeway's new store in** Ellicott City, Md., uses an earth-friendly metal-free floor care system.*

Contrary to popular belief, environmental improvements do not always translate into added cost. At least that's been the experience of the new Safeway Marketplace store in Ellicott City, Md.

Opened in March, the 51,000-sq.-ft. supermarket uses a metal-free floor maintenance system that provides an easy to maintain wet-look shine. In addition to environmental benefits, the program has resulted in labor savings.

"Metal free is the way to go for us—it's environmentally improved, looks great and has saved us time and money," says Tony Papagna, facilities maintenance manager, Safeway, Eastern Division, Landover, Md., which is responsible for the operation of 144 stores in Maryland, Virginia and Washington, D.C.

The growing interest in the environment prompted Safeway's interest in the metal-free system.

"Environmental issues are becoming increasingly important," says Papagna. "And to eliminate heavy metals from our floor care program and maintain appearance requirements efficiently is of great benefit to us."

Metal-free floor care technology was developed in response to growing environmental concerns.

"Although heavy metals comprise only a small percentage of the total floor coating formula, they can contribute to the overall waste problem," explains Richard Carr, chemical products manager, Pioneer Eclipse, Sparta, N.C., which manufacturers the metal-free floor care system.

Carr says that when too much heavy metal, such as zinc, is released into municipal waste and sewage treatment systems it can kill certain bacteria that are necessary to digest chemical and biological waste.

"Metal-free floor care systems represent an environmentally improved alternative to conventional zinc cross-linking chemistry," the chemical products manager adds.

Prior to implementing the new floor care system, Safeway tested it in another store.

"I was sold on the concept of metal-free floor care for environmental reasons, but wasn't sure it could meet performance requirements," Papagna says.

"I wanted to see if the system was durable enough to ensure wet-look appearance results under high traffic conditions. I also wanted to determine how it would affect maintenance procedures."

Wet-look shine: In addition to internal testing, Papagna visited other retail stores that use metal-free finishes on their floors. He was impressed by the results. The program provided a durable wet-look shine that communicated cleanliness and a positive image.

"The metal-free floor care systems demonstrated excellent performance and appearance results," Papagna adds. "So I decided to apply a metal-free floor care system for the grand opening of our newest store."

A key advantage of the new floor care technology is that it holds appearance and stays on the floor longer than standard finishes, which reduces the number of times the floor must be stripped.

"This results in a significant cost savings when you consider that stripping out a store costs anywhere from $1,000 to $2,000," Papagna explains.

Slip-resistant: While the new floor care program provides environmental and cost benefits, the system's floor coating is UL listed for slip resistance, which provides an important safety measure for Safeway shoppers.

"Providing a safe environment for our customers has always been a paramount concern," says Papagna. "As part of a preventative maintenance program, we test the slip resistance of the floors quarterly and document the results." ■

BIG BEAR'S DESICCANT UNIT

CHAIN DEBUTS MORE EFFICIENT HEAT PIPE SYSTEM

Big Bear Stores, an early user of desiccant dehumidification, has installed a new system in its store in Columbus, Ohio, that combines heat pipe technology with desiccant dehumidification. The heat pipe is used in conjunction with the desiccant wheel to reclaim heat from the process airstream and to preheat the reactivation entering air.

"The use of the heat pipe makes the desiccant system much more efficient," says Stephen Breech, vp construction, Big Bear Stores Company. Based in Columbus, Ohio, the chain operates 60 Big Bear supermarkets and 11 Big Bear Plus combination stores.

To date, Big Bear has installed desiccant systems in about 25 supermarkets.

"We have been putting in desiccant systems in our remodels and new stores," Breech explains. "It is hard to cost justify converting to a desiccant system in an existing store unless you are doing a remodel."

But Breech adds that Big Bear is committed to desiccant technology.

"We are convinced that desiccant technology is the most effective way to manage humidity control in supermarkets," he says. "We know that our refrigeration cases operate more efficiently in stores with desiccant systems—we can even skip defrost cycles."

New system: The system Big Bear has installed in its newly remodeled Columbus store is manufactured by Seasons 4, Douglasville, Ga. Contained in a rooftop unit, it allows for less gas usage on the reactivation heat.

Even more important, says Breech, the unit reduces the amount of heat carried into the return airstream that the cooling system must remove. While the air temperature that comes off the desiccant wheel in typical systems is about 120 degrees, the temperature that comes off the new unit averages from 80 to 84 degrees.

"The heat pipe has the ability to take heat out of the air passing over the drying wheel," Breech explains.

Although the system has only been in operation since April, Big Bear is enthused over the initial results. The chain has already placed an order for a second unit.

"Our preliminary tests, which were conducted in the spring, were based on a store reading temperature of 76 degrees," says Breech. "Under these conditions, the air passing over the drying wheel was about 84 degrees and the air coming out after it passed over the heat pipe was 59 or 60 degrees. By making the air less hot, the heat pipe reduces the air conditioning load more than a regular desiccant system."

Under the system, the supermarket is able to maintain humidity levels with roughly 70 tons of air conditioning where it would typically use 130 tons.

"The decreased tonnage has resulted in substantial savings in terms of reduced air conditioning costs," says Breech.

Another advantage of the heat pipe is that it has no moving parts. It is a passive system.

"There is nothing to break," Breech adds. "And that is a big plus from our point of view."

The unit features a detached heat pipe design with modifications for dissimilar airflows. Internal design modifications minimize charge and increase effectiveness.

"Under this system, 5 to 10 tons of cooling can be removed from the process airstream before entering the return air plenum," says Glen Ragsdale, vp, Seasons 4, Douglasville, Ga.

An airfoil fan is used for the supply air.

"It provides the system with better efficiency than the forward curved fans in that it requires less horsepower than the traditional fan system," says Ragsdale. "The reduced horsepower saves energy."

The heat pipe-enhanced system is more expensive than standard desiccant units. But the upfront cost, says Big Bear's Breech, should be weighed with the reduced energy demand.

"Based on current utility prices—we pay about 4.7 cents a kilowatt hour for electricity—we estimate a two year payback," he adds. "But the paypack should be quicker in other sections of the country, particularly the Northeast, where electric rates are considerably more expensive." ■

NEW LAMPS GIVE DAFFY'S A LIFT

SYSTEM RENDERS TRUE COLORS FOR RETAILER

***High pressure sodium lamps** give Daffy's warm, bight light and high color rendition.*

Daffy's, a New-Jersey based off-price retailer, is better known for discount designer fashions than store design.

But with the 1991 opening of its store in Wayne, N.J., the company embarked on a new direction in terms of interior decor.

The two-level store sports a contemporary design that attracts shoppers as well as accents the clothing on display. Lighting plays a key role in the store's upgraded image.

"We wanted to differentiate the Wayne store and, at the same time, create a prototype that would provide a new direction for our other stores to follow," says Marcia Wilson, director of advertising, Daffy's. Based in Secaucus, the chain operates nine off-price clothing stores in New Jersey, New York and Virginia.

The Wayne store's attractive interior is enhanced by the warm lighting. Daffy's considered several systems for its prototype, but finally selected Philips Lighting's new White SON high pressure sodium lamp.

"The White SON lamp provided all the benefits we were looking for in both accent and ambient lighting," says Tony DiBartolo, director of facility development, Daffy's. "It gives good color rendition and has a warm

appearance. And it is energy efficient, with a minimum of 10,000 hours of operation."

High color rendering: Designed for accent, display and downlighting, the White SON has a high color rendering index of 80 CRI. It is available in 35-watt, 50-watt and 100-watt types with tubular and elliptical shaped bulbs, prefocus and medium screw bases. The lamps contain extremely low ultraviolet radiation which eliminates the need for fixture lenses and minimizes fabric fading.

"I like the White SON lamp because it doesn't deceive you," says DiBartolo. "The lamps display the true colors of the merchandise. An item will appear exactly the same color out in the daylight as it does in the store."

Daffy's installed a total of 477 Indy Lighting recessed accent lighting fixtures, open reflector downlights and wall washers throughout the 27,000-sq.-ft. store. White SON 100-watt medium base diffuse lamps were used for ambient lighting, while 50-watt and 100-watt clear T-10 lamps were used in the downlights and directional lighting to accent clothing and highlight the merchandise on display.

In addition, White SON diffuse lamps were used in combination with "warm" 3500K fluorescent lighting to produce a 70 to 100 footcandle general light level. The level was doubled for the accent lighting.

"The warm appearance of the lighting has had a strong impact on customers' response to the new store," says DiBartolo. "The lamps help create a much more inviting interior. It is a marked contrast from our other stores, which tend to feature standard incandescents or fluorescents."

Daffy's has installed the same upgraded lighting program in a major remodel that it completed last year.

"The results there were just as positive," DiBartolo adds. "It is a beautiful store and the lighting really enhances the overall appearance."

White SON lamps carry a higher initial cost than standard incandescents. But, DiBartolo says, they are more energy efficient and will result in lowered operating costs.

"These particular lamps have a minimum life expectancy of 10,000 hours of operation," he adds. "Factoring in our hours of operation, we estimate that we should be able to get over two years out of each lamp."

Pleased with the results of its new lighting program, Daffy's plans to install the system in its new store in Philadelphia which is scheduled to open this September.

The store is located in the 63-year-old Bonwit Teller building. Daffy's bought the eight-story, art deco landmark structure after bankruptcy forced its closure in 1990. The chain will occupy the first floors of the building.

"We plan to restore the building back to the way it looked when it opened in 1929," says DiBartolo. "We are taking it back to its original structure. It is a big job, but the results will be worth the effort." ■

YOUR ROOFING WARRANTY

IMPORTANT QUESTION TO ASK, FACTS TO KNOW

One of the most important parts of any roofing system is its warranty. This is especially true considering that nearly 75% of all post-construction litigation is roofing-related.

"A good, straightforward warranty can protect you and your company," says Alan J. Krowka, manager, warranty services department, JPS Elastomerics, Roofing Systems Division, Northampton, Mass.

Don't wait until your roof fails to check out the fine terms of your coverage.

"The morning you find out that your roof is leaking is not the time to start reading the warranty to find out who to call, what's covered, etc.," Krowka says. "You should be familiar with what is and what is not included in your coverage."

Here are some key questions to help you evaluate a roofing warranty:

Who backs the warranty? Find out who is actually backing the warranty. It could be the roofing manufacturer, the roofing supplier or a third party. Keep in mind that since the manufacturer has the most to lose or gain from warranty claims, he has the most interest in keeping customers happy. As a result, work directly with the roofing manufacturer whenever possible.

If the warranty is backed by the manufacturer, find out if the company has a special fund set aside for warranty expenses and if this fund can handle a series of roof failures (it might be helpful to obtain a Dun & Bradstreet Report to determine the company's overall financial rating). And look into the company's track record of warranty problems—if possible, talk to some of its customers.

Who services the warranty? It should be someone in the technical or field area who can accurately measure the damage and determine the most efficient method of repair. Ideally, the company should have a specific department that deals with warranty services.

Is a final inspection required in conjunction with warranty issuance? If so, who conducts the inspection?

Types of Roofing Used

	Total 1992	Discount store 1992	Drug store 1992	Super-market 1992	Depart-ment store 1992	Home center 1992	Specialty apparel 1992
Single-ply membrane	76.6%	75.0%	80.0%	85.7%	70.6%	73.7%	50.0%
Bur (built-up roof)	63.8	50.0	80.0	52.4	70.6	73.7	50.0
Metal	36.2	35.0	33.3	23.8	11.8	78.9	—
Fabric	5.3	5.0	—	—	—	21.1	—
Four-ply	—	—	—	—	—	—	—
Other	5.3	—	13.3	9.5	—	—	50.0

Note: Totals more than 100% due to multiple responses
Source: *Chain Store Age Executive*/Leo J. Shapiro & Associates

Once again, it should be someone with technical expertise, not a sales or marketing person.

Who do you call if your roof leaks, and when? Procedures for reporting leaks and other emergencies should be clearly defined from day one (some manufacturers, including JPS, provide an 800 number in an attachment to the warranty). Also find out *when* you should report the problem—the basic terms of most warranties specify a period of discovery. If a problem goes unreported for too long, it could void your warranty.

If the roof leaks, will your warranty be voided if you take action to stop the leak? Work done by your own crew may jeopardize or even void the warranty. Know what you can and cannot do in emergency situations. Good warranties specify what actions the building owner can take if an emergency should arise.

What is covered by the warranty? You should have a clear understanding of which elements of the roofing system are covered in order to avoid expensive surprises later.

What are the exclusions? Exclusions are extremely important because they are the limitations of the warranty. They should be specifically defined in the warranty. Some common ones:

"Gale force winds" is a general, broad ranging term found on many warranties. If at all possible, advises JPS's Krowka, have the terms of the miles per hour of the winds stated in the warranty.

"This will avoid any later questions as to what actually constitutes gale force winds," he explains.

"Ponding water" is a common and often ambiguous exclusion. Because different warranties all have different provisions regarding ponding water, it is important that you define and clarify the limits of your protection. Coverage should reflect the type of roof you have. While pitched roofs, for example, do not have to worry about pounded water, virtually all flat roofs will experience some degree of this problem.

"Environmental fallout" could mean anything from acid rain to snow. Get a specific definition of this term if it is in your warranty.

"Undefined substrate movement" is another term to watch out for. All buildings expand and contract—and goods roofs are designed to be flexible enough to accommodate this movement. As a result, make sure this exclusion doesn't give the manufacturer a loophole it may exercise later.

Does the warranty have any limitations regarding building occupancy? Some warranties may be non-transferable and cease coverage if the tenant or use of the building changes. This is important if you plan to sell the building in the future.

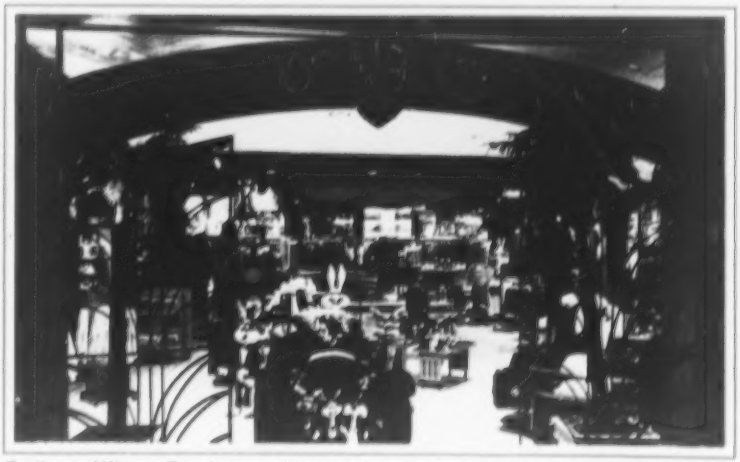
What are your responsibilities in terms of maintenance? Find out if there are any procedures which you must do in order to keep the warranty valid.

A final note: JPS' Krowka cautions building owners that the bottom line in selecting a roofing system is the roof itself, not the warranty.

"Your main priority is to get the best system available for your dollar—it should be one that is backed by a strong company that will assist you if the need arises," he explains. "A good warranty is important, but it should not be the primary consideration in selecting one system over the other." ■

JUST ANOTHER PART OF THE SET

WARNER BROS. STORES PUT OPEN CEILINGS TO USE



Portions of Warner Bros.' open ceiling contain angled drops to spotlight specific merchandise.

In some cases, a store's ceiling is just as important an architectural element as the walls, fixtures and floors. In others, it's a backdrop, a neutral point to focus attention downward.

By combining an open ceiling with occasional drop ceilings, the Warner Bros. stores manage to do both.

The open, black ceiling coordinates with the idea of the store being a Hollywood soundstage.

Types of Ceilings Used

	Total 1992	Discount store 1992	Drug store 1992	Super-market 1992	Depart-ment store 1992	Home center 1992	Specialty apparel 1992
Two-by-four foot lay in panels	76.0%	75.0%	85.0%	90.5%	66.7%	80.0%	57.9%
Acoustical	28.9	45.0	10.0	52.4	19.0	20.0	26.3
Two-by-two foot lay in panels	47.9	25.0	25.0	38.1	71.4	55.0	73.7
Plaster	22.3	10.0	15.0	23.8	52.4	20.0	10.5
Tegular two-by-four foot lay in panels	15.7	10.0	20.0	9.5	23.8	15.0	15.8
Tegular two-by-two foot lay in panels	28.9	15.0	25.0	14.3	47.6	15.0	57.9
Drywall	8.3	—	5.0	—	19.0	5.0	21.1
12-by-12 concealed spline	3.3	—	—	—	14.3	—	5.3
Suspended ceiling	—	—	—	—	—	—	—
Other	9.9	5.0	10.0	9.5	28.6	—	5.3
Not answering	3.3	5.0	5.0	—	4.8	5.0	—

Note: Totals more than 100% due to multiple responses
Source: *Chain Store Age Executive*/Leo J. Shapiro & Associates

"The premise is that you're on a soundstage where a production is happening. The reality of a soundstage is that of an industrial, well-used environment with different scenes in different corners," says Ken Nisch, president of Southfield, Mich.-based Jon Greenberg & Associates, the store's designers. And soundstages have extremely high ceilings.

Lighting that resembles, but is not, the high-powered klieg lights found on a soundstage enhances the effect.

"Without getting carried away, you do feel as though you stepped onto a lot, not into a regular store," Nisch says.

Since the stores average about 7,500 sq. ft., the designers had room to emphasize merchandise in different ways, using the ceiling as one method.

"The open ceiling really is a gray space, acting as a buffer. A conventional ceiling wouldn't do that," Nisch says.

But the open ceiling might not have worked everywhere, due to the breadth of the store's merchandise.

"We have various goods to merchandise," notes Peter Starrett, president of Warner Bros. Studio Stores. These include both relatively inexpensive items to clothing to video to a high-priced gallery-type presentation of cartoon production cels.

With so many varied goods in the store, extra design elements might have cluttered its appearance.

Yet some goods required a bit of "closing in." Within the overall store are a series of drop chipboard ceilings that are off-white and angled in contrast to the high black ceilings over the rest of the store. It serves to delineate different "departments" within each Warner store.

"We have a drywall element over the gallery area because it's a high ticket product," Nisch explains.

In fact, Nisch says, open ceilings aren't for everyone, particularly for smaller, high-end retailers such as jewelry stores.

"It's a fallacy that open ceilings are easier to do. You really have to manage them well to be effective," Nisch says.

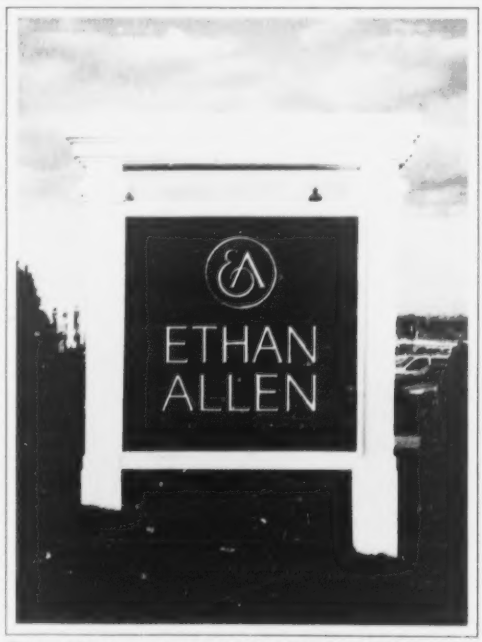
Warner's ceiling also became a way for the designers, and the customers, to have a little fun.

"It really is a neutral. We put some lights up there, but the most fun is the gremlins," which were left over from the most recent Gremlins film, Starrett relates. What was going to be thrown out became an entertainment element within a store devoted to entertainment.

"They're hidden in the ceiling. Kids are the first to spot them. It's a tongue-in-cheek element," Starrett says. ■

LOGO UPDATES ETHAN ALLEN

IDENTITY PROGRAM GIVES COMPANY NEW IMAGE



***Ethan Allen's new** logo will be rolled out on all signage.*

Ethan Allen has launched a new corporate identity program. The program is designed to give the Danbury, Conn.-based furniture retailer an updated image that complements its positioning as a full-service contemporary home decorator.

"We wanted to get the message out that Ethan Allen had changed," says Kyla Lange, project manager, Cato Gobe & Associates, New York, which developed the identity program for Ethan Allen.

Long known for its American colonial furniture, the Danbury, Conn.-based company has in recent years expanded its product lines and updated its stores to reflect modern tastes.

But public perceptions die hard. Market research revealed that, despite the changes, Ethan Allen had a stiff, colonial image that did not make for a very welcoming shopping environment. The new identity program is intended to give the company a fresh, contemporary image.

The development of a new logo was key to the program. Ethan Allen's familiar green logo has given way to a round monogram that depicts the company's initials. A dramatic scripted letter "E" sweeps across the more formal, linear "A."

"Instead of using a standard typeface, we developed a logotype specifically for Ethan Allen," says Lange.

Color change: In another application, the company's name appears in clean, sans serif type, in white against the bold blue new Ethan Allen corporate color.

"They needed a new signature color to reflect the changes that were going on inside the store," adds Lange. "We went with blue because it is more of a fashion color. It's classical and upbeat."

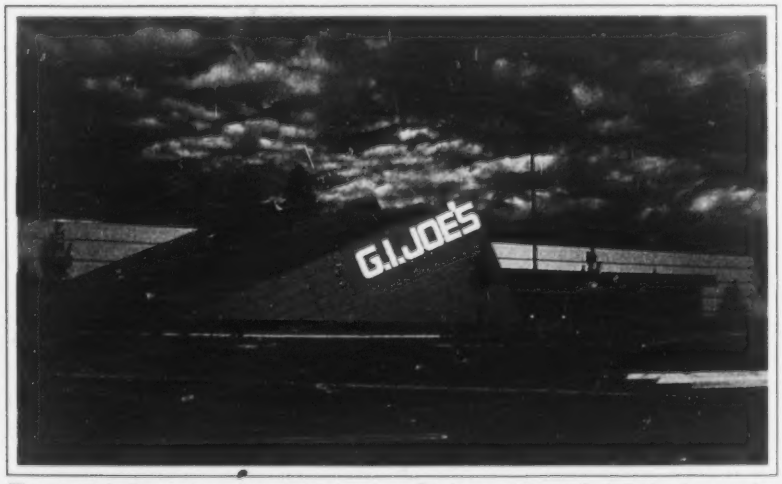
Typeface, says the designer, is a key element in building a retailer's identity, according to the designer. "Type speaks to people with a strong voice," Lange explains. "It is your mark."

Ethan Allen's new logo and typeface will be applied to all exterior signage, truck signage banners and gift packaging. The application system recalls a watermark. "The watermark is synonymous with quality and heritage, both of which are very important to Ethan Allen," says Lange.

The new graphic and color program is being rolled out to Ethan Allen's 50 corporate-owned stores. A new contemporary-looking storefront will complement the program. ■

G.I. JOE'S NEW PROTOTYPE

DYNAMIC EXTERIOR MAKES IMPACT ON CUSTOMERS



***The mountain-like peaks** on the exterior signage on G.I. Joe's prototype reflects the local geography.*

G. I. Joe's, a discount sporting goods and automotive chain based in Wilsonville, Ore., has made a big splash in its first foray into the Seattle market.

Its new prototype, located in Federal Way, Wash., features bold, eye-catching signage set on an unusually-designed storefront. In addition to creating a memorable impression, the facade reflects the geography of the surrounding area.

"The storefront is designed to emulate the mountains which are visible in the distance," says Linda Rosine, vp, Retail Planning Associates, Columbus, Ohio, which executed the new prototype design for G.I. Joe's (the name reflects the chain's origins as a war surplus store in 1951).

The three "mountain" peaks of the storefront are painted in complementary shades of blue and purple. The name of the company appears in big white block letters on one of the peaks.

"The colors match the way the sky looks when the sun sets," says Rosine.

The storefront is made of lucabond, an extremely light weight aluminum that wears well when it is painted.

"It is also a very durable material," adds Rosine.

The storefront has met an enthusiastic response from both shoppers and G.I. Joe's management.

"It has definitely made an impact—the company plans to use it on new new stores," says Rosine.

New interior: In addition to the revamped exterior, the Seattle store also sports a new, contemporary-looking interior. Decorative elements, such as stadium seating and video screens in the footwear department, give the store a more lively, sports feel. There is even a miniature putting green where golf enthusiasts can test putters.

G.I. Joe's traditional racetrack format has been replaced with a Y-shaped layout.

"The triangular floor plan gives the store an open feeling," says Rosine.

The 55,000-sq.-ft. store is divided into three categories: sporting goods and related apparel (the largest department at 30,000 sq. ft.), automotive and hardware and seasonal.

"Seasonal merchandise forms the base of the Y," explains Rosine. "The department consists of ski items in the winter and summer items, like patio furniture and grills, in the summer."

Interior signage, in the form of spotlighted lifestyle photos, help guide the customer through the store.

"The graphics are strategically placed throughout the space to identify the various departments," says Rosine.

One of the most apparent changes in the new prototype is the addition of a glassed-in technical service center. Located in the front of the store, the center showcases all of the functions that are typically done in the back room. Shoppers, for example, can watch as a tennis racket is strung or a bicycle is assembled.

G.I. Joe's plans to roll out its new prototype design in new stores. With 14 stores in operation, the chain expects to add a new store every 18 months for the next 10 years.

For the time being at least, the retailer will keep its expansion limited to the Puget Sound area. ■

FINANCE

REVENUES

	1st qtr. (000 omitted)	% change	YTD (000 omitted)	% change
CATALOG STORE CHAINS				
J.C. Penney*	3,793,000 +	10.5	3,793,000 +	10.5
Sears, Roebuck & Co.*	6,845,700 +	3.3	6,845,000 +	3.3
Sharper Image	27,592 +	9.7	27,592 +	9.7
Williams-Sonoma	69,685 +	9.5	69,685 +	9.5
DEPARTMENT STORE CHAINS				
Carter Hawley Hale*	433,627 +	0.8	433,627 +	0.8
Dillard	1,033,908 +	16.7	1,033,908 +	16.7
Federated	1,571,726 –	1.4	1,571,726 –	1.4
Gottschalks	69,851 +	6.6	69,851 +	6.6
Jacobsons	91,754 +	1.0	91,754 +	1.0
May	2,388,000 +	3.2	2,388,000 +	3.2
Mercantile*	587,818 +	12.7	587,818 +	12.7
Neiman Marcus Group[3]	417,232 +	6.3	1,392,595 +	2.6
Nordstrom	663,809 +	8.7	663,809 +	8.7
Strawbridge & Clothier	205,608 –	0.7	205,608 –	0.7
DISCOUNT STORES				
Ames	482,096 –	24.7	482,096 –	24.7
Caldor*	412,488 +	8.9	412,488 +	8.9
Consolidated	192,032 +	21.7	192,032 +	21.7
Dayton Hudson	3,719,000 +	11.0	3,719,000 +	11.0
Dollar General	188,565 +	27.1	188,565 +	27.1
Hills*	359,053 +	10.5	359,053 +	10.5
Jamesway	182,476 +	4.9	182,476 +	4.9
Kmart	8,266,000 +	8.1	8,266,000 +	8.1
Pic 'N' Save	114,098 +	3.7	114,098 +	3.7
Rose's	301,053 –	6.7	301,053 –	6.7
Service Merchandise	664,654 +	7.7	664,654 +	7.7
ShopKo[4]	457,905 +	15.6	1,660,054 +	8.3
Value City[3]	143,600 +	11.3	506,900 +	15.2
Venture	363,970 +	15.6	363,970 +	15.6
Wal-Mart	11,649,430 +	25.5	11,649,430 +	25.5
SHOE/SPECIALTY CHAINS				
J. Baker	109,383 +	0.7	109,383 +	0.7
Brown Group*	437,048 +	3.5	437,048 +	3.5
Edison Bros.	326,900 +	9.0	326,900 +	9.0
Genesco	112,853 +	6.2	112,853 +	6.2
Melville	2,059,351 +	0.6	2,059,351 +	0.6
U.S. Shoe*	647,547 –	4.1	647,547 –	4.1
Woolworth*	2,096,000 –	1.5	2,096,000 –	1.5
APPAREL CHAINS				
Charming Shoppes	264,561 +	18.0	264,561 +	18.0
Designs	35,918 +	49.7	35,918 +	49.7
Frederick's of Hollywood[2]	34,654 +	1.7	60,327 +	1.7
Gantos	62,655 +	3.6	62,655 +	3.6
The Gap	588,864 +	20.1	588,864 +	20.1
Goody's Family Clothing	92,040 +	26.4	92,040 +	26.4
Jay Jacobs[4]	41,286 +	27.0	146,368 +	24.4
The Limited	1,415,625 +	10.2	1,415,625 +	10.2
Merry-Go-Round	171,393 +	9.0	171,393 +	9.0
Petrie	322,958 +	1.5	322,958 +	1.5
Wet Seal	33,981 +	42.6	33,981 +	42.6
OFF-PRICE APPAREL				
50-Off Stores	39,451 +	43.8	39,451 +	43.8
Burlington Coat Factory[3]	217,246 +	3.9	809,039 +	6.5
Clothestime	68,297 +	20.3	68,297 +	20.3
Dress Barn[3]	90,974 +	10.6	261,961 +	10.2
Filene's Basement	110,979 +	11.1	110,979 +	11.1
One Price Clothing*	32,782 +	41.4	32,782 +	41.4
Ross	221,020 +	11.3	221,020 +	11.3
S&K	18,791 +	13.4	18,791 +	13.4
Syms	70,253 –	2.4	70,253 –	2.4
TJX*	670,937 +	11.2	670,937 +	11.2
WAREHOUSE WHOLESALE CLUBS				
Office Depot*	433,303 +	33.2	433,303 +	33.2
Price[2]	1,557,588 +	11.5	4,075,630 +	12.9
Staples*	181,838 +	73.3	181,838 +	73.3
Waban	736,012 +	19.3	736,012 +	19.3
Warehouse Club[2]	53,272 –	5.7	115,565 –	8.8

EARNINGS

	1st qtr. (000 omitted)	% change	YTD (000 omitted)	% change
CATALOG STORE CHAINS				
J.C. Penney*	136,000 +	70.0	136,000 +	70.0
Sears, Roebuck & Co.*	500	NA	500	NA
Sharper Image	(2,078)	NA	(2,078)	NA
Williams-Sonoma	(2,120)	NA	(2,120)	NA
DEPARTMENT STORES				
Carter Hawley Hale*	(16,779)	NA	(16,779)	NA
Dillard	45,069 +	18.2	45,069 +	18.2
Federated	11,812	NA	11,812	NA
Gottschalks	(461)	NA	(461)	NA
Jacobsons	1,314 +	3.3	1,314 +	3.3
May	81,000 +	6.6	81,000 +	6.6
Mercantile*	8,195 –	66.4	8,195 –	66.4
Neiman Marcus Group[3]	9,027	NA	28,687 +	65.1
Nordstrom	21,582 –	15.9	21,582 –	15.9
Strawbridge & Clothier	(931)	NA	(931)	NA
DISCOUNT STORES				
Ames	(37,737)	NA	(37,737)	NA
Caldor*	(4,048)	NA	(4,048)	NA
Consolidated	3,368	NA	3,368	NA
Dayton Hudson	35,000 +	2.9	35,000 +	2.9
Dollar General	3,864 +	229.7	3,864 +	229.7
Hills*	(13,172)	NA	(13,172)	NA
Jamesway	(3,356)	NA	(3,356)	NA
Kmart	116,000 +	8.4	116,000 +	8.4
Pic 'N' Save	5,413 +	13.7	5,413 +	13.7
Rose's	(3,981)	NA	(3,981)	NA
Service Merchandise	(9,391)	NA	(9,391)	NA
ShopKo[4]	21,136 +	1.9	49,589 +	10.0
Value City[3]	4,500 +	25.0	25,600 +	21.9
Venture	5,565 +	50.0	5,565 +	50.0
Wal-Mart	386,955 +	26.1	386,955 +	26.1
SHOE/SPECIALTY CHAINS				
J. Baker	1,551 +	52.4	1,551 +	52.4
Brown Group*	742 –	80.8	742 –	80.8
Edison Bros.	9,800 +	10.1	9,800 +	10.1
Genesco	(940)	NA	(940)	NA
Melville	(12,794)	NA	(12,794)	NA
U.S. Shoe*	2,823 –	77.1	2,823 –	77.1
Woolworth*	17,000 +	30.8	17,000 +	30.8
APPAREL CHAINS				
Charming Shoppes	16,125 +	56.0	16,125 +	56.0
Designs	(233)	NA	(233)	NA
Frederick's of Hollywood[2]	2,583 +	4.4	3,092 +	0.3
Gantos	141	NA	141	NA
The Gap	45,251 +	10.6	45,251 +	10.6
Goody's Family Clothing	2,825 +	60.7	2,825 +	60.7
Jay Jacobs[4]	433 +	75.3	437 –	65.8
The Limited	51,525 +	1.3	51,525 +	1.3
Merry-Go-Round	7,087 –	18.5	7,087 –	18.5
Petrie	6,860 –	28.0	6,860 –	28.0
Wet Seal	854 +	26.9	854 +	26.9
OFF-PRICE APPAREL				
50-Off Stores	2,131 +	26.3	2,131 +	26.3
Burlington Coat Factory[3]	1,094 +	3.0	31,408 +	32.0
Clothestime	1,011 +	93.7	1,011 +	93.7
Dress Barn[3]	4,763 +	11.4	10,413 +	1.7
Filene's Basement	3,829 +	35.7	3,829 +	35.7
One Price Clothing	(230)	NA	(230)	NA
Ross	3,254 +	60.9	3,254 +	60.9
S&K	616 +	13.2	616 +	13.2
Syms	1,705 –	33.1	1,705 –	33.1
TJX*	15,146 +	2.2	15,146 +	2.2
WAREHOUSE WHOLESALE CLUBS				
Office Depot*	9,351 +	64.3	9,351 +	64.3
Price[2]	20,265 –	26.0	20,265 –	26.0
Staples*	1,280 +	661.9	1,280 +	661.9
Waban	6,169 +	40.3	6,169 +	40.3
Warehouse Club[2]	(509)	NA	328 –	5.7

N/A = not applicable because of loss in either current or comparable period
N/C = no change
*before extraordinary items or changes in accounting principles
†continuing operations only

[1]first quarter figures
[2]second quarter figures
[3]third quarter figures
[4]fourth quarter figures

Source: Company reports

REVENUES

	1st qtr. (000 omitted)	% change	YTD (000 omitted)	% change
HARD LINES CHAINS				
Best Buy[4]*	339,929 +	57.6	929,692 +	39.8
Blockbuster Entertainment	253,966 +	43.7	253,966 +	43.7
Bombay Co.[3]	40,873 +	30.2	136,085 +	24.1
Circuit City[4]*	903,325 +	21.9	2,790,232 +	17.9
Claire's	51,533 –	1.0	51,533 –	1.0
Fabri-Centers of America	131,569 +	32.5	131,569 +	32.5
General Nutrition*	106,972 +	14.1	106,972 +	14.1
Good Guys[2]	116,705 +	21.3	269,337 +	21.3
Hancock Fabrics*	95,793 –	5.6	95,793 –	5.6
House of Fabrics	126,316 +	24.8	126,316 +	24.8
Lechters	52,892 +	29.7	52,892 +	29.7
Michaels	94,351 +	13.9	94,351 +	13.9
Montgomery Ward	1,090,000 +	2.5	1,090,000 +	2.5
Musicland*	184,743 +	14.5	184,743 +	14.5
Pep Boys-M,M,J	275,563 +	17.2	275,563 +	17.2
Spec's Music[3]	14,770 +	4.1	47,499 +	5.0
Tandy[3]	1,085,185 +	7.4	3,604,334 +	0.8
Tiffany & Co.*	107,238 +	10.4	107,238 +	10.4
Toys "R" Us	1,172,476 +	14.3	1,172,476 +	14.3
Trans World Music	91,585 +	16.0	91,585 +	16.0
SUPERMARKETS				
Albertsons*	2,296,848 +	6.3	2,296,848 +	6.3
American*	4,924,074 –	9.0	4,924,074 –	9.0
A&P[4]	2,739,944 –	1.2	11,590,991 +	1.8
Bruno's[3]	721,410 +	2.4	2,060,898 +	2.8
Delchamps[3]	236,434 +	1.2	704,528 –	3.2
Eagle Food Centers	265,601 –	5.2	265,601 –	5.2
Food Lion	1,596,491 +	12.7	1,596,491 +	12.7
Giant Food[4]	1,151,651 +	8.8	3,489,762 +	4.2
Hannaford Bros.	486,769 +	0.2	486,769 +	0.2
Ingles Markets[2]	258,698 –	0.5	518,232 –	0.7
Marsh[4]	250,877 +	2.0	1,130,849 +	3.5
Penn Traffic*	673,591 +	1.5	673,591 +	1.5
Quality Food Centers	98,232 +	16.0	98,232 +	16.0
Ralphs Grocery	677,000 +	1.3	677,000 +	1.3
Safeway*	3,395,900 –	0.1	3,395,900 –	0.1
Seaway Food Town[2]	139,803 –	2.7	275,063 –	1.7
Smith's Food & Drug	669,511 +	25.6	669,511 +	25.6
Village Super Markets[3]	179,022 +	5.9	518,229 +	4.4
Vons[4]	1,268,200 +	3.7	1,268,200 +	3.7
Weis Markets	320,719 –	1.5	320,719 –	1.5
Whole Foods Market[2]	28,131 +	28.6	61,888 +	26.3
Winn-Dixie[3]	2,433,041 +	1.8	7,926,210 +	2.2
CONVENIENCE STORES				
Dairy Mart[3]*	212,132 –	12.6	719,773 –	12.0
Southland	1,777,025 –	5.7	1,777,025 –	5.7
Uni-Marts[2]	77,583 +	25.4	149,400 +	13.2
DRUG STORES				
Arbor[3]	120,928 +	19.5	353,166 +	17.2
Big B	137,157 +	3.4	137,157 +	3.4
Drug Emporium[4]*	204,759 +	12.2	746,241 +	19.6
Fay's	212,156 +	19.8	212,156 +	19.8
Genovese	138,102 +	3.9	138,102 +	3.9
Longs	601,695 +	5.7	601,695 +	5.7
Perry[2]	162,828 +	8.3	338,282 +	7.2
Rite Aid[4]	1,010,476 +	8.4	3,748,376 +	8.7
HOME CENTERS				
Grossman	153,533 +	3.5	153,533 +	3.5
Hechinger	439,876 +	12.4	439,876 +	12.4
Home Depot	1,639,575 +	38.1	1,639,575 +	38.1
Lowe's	883,283 +	27.4	883,283 +	27.4
NON-STORE RETAILERS				
Fingerhut	309,472 –	1.4	309,472 –	1.4
Home Shopping Network[2]*	275,500 +	2.9	567,200 +	1.4
Lands' End	140,481 +	11.0	140,481 +	11.0
Lillian Vernon[4]	45,434 –	24.7	162,397 +	1.3
QVC Network*	233,168 +	21.3	233,168 +	21.3
Spiegel	364,214 –	4.1	364,214 –	4.1

EARNINGS

	1st qtr. (000 omitted)	% change	YTD (000 omitted)	% change
HARD LINES CHAINS				
Best Buy[4]*	5,108 +	41.4	9,601 +	111.5
Blockbuster Entertainment	25,679 +	61.6	25,679 +	61.6
Bombay Co.[3]	988 +	201.2	8,100 +	25.9
Circuit City[4]*	44,038 +	65.1	78,223 +	38.1
Claire's	543 –	73.7	543 –	73.7
Fabri-Centers of America	1,918 +	34.3	1,918 +	34.3
General Nutrition*	1,767	NA	1,767	NA
Good Guys[2]	749 –	53.1	5,333 –	18.6
Hancock Fabrics*	3,396 –	47.1	3,396 –	47.1
House of Fabrics	2,651 –	21.5	2,651 –	21.5
Lechters	493 +	40.1	493 +	40.1
Michaels	3,045 +	283.5	3,045 +	283.5
Montgomery Ward	9,000 +	28.6	9,000 +	28.6
Musicland*	(3,408)	NA	(3,408)	NA
Pep Boys-M,M,J	10,836 +	49.9	10,836 +	49.9
Spec's Music[3]	374 +	12.0	2,027 +	33.7
Tandy[3]	35,091 –	4.3	155,734 –	11.8
Tiffany & Co.*	3,103 –	29.7	3,103 –	29.7
Toys "R" Us	28,304 +	26.4	28,304 +	26.4
Trans World Music	459	NA	459	NA
SUPERMARKETS				
Albertsons	32,911 –	43.9	32,911 –	43.9
American*	19,224 –	46.6	19,224 –	46.6
A&P[4]	16,067 –	49.1	70,664 –	53.2
Bruno's[3]	15,539 –	9.4	46,247 –	9.4
Delchamps[3]	2,504 –	29.0	3,130 –	65.7
Eagle Food Centers	2,380 +	5.3	2,380 +	5.3
Food Lion	49,644 +	13.1	49,644 +	13.1
Giant Food[4]	24,659 –	37.9	87,180 –	26.7
Hannaford Bros.	8,812 +	8.9	8,812 +	8.9
Ingles Markets[2]	205 –	92.6	1,694 –	66.9
Marsh[4]	2,051 +	8.6	9,725 –	24.0
Penn Traffic*	(2,258)	NA	(2,258)	NA
Quality Food Centers	5,055 +	20.7	5,055 +	20.7
Ralphs Grocery	2,200	NA	2,200	NA
Safeway*	22,900 –	14.2	22,900 –	14.2
Seaway Food Town[2]	419 +	1,063.9	1,304 +	1,452.4
Smith's Food & Drug	13,148 +	26.4	13,148 +	26.4
Village Super Market[3]	395 –	15.8	(455)	NA
Vons[4]	15,100 +	18.9	15,100 +	18.9
Weis Markets	18,436 –	11.4	18,436 –	11.4
Whole Foods Market[2]	765 +	63.5	1,467 +	76.3
Winn-Dixie[3]	53,908 +	12.4	134,374 +	10.7
CONVENIENCE STORES				
Dairy Mart[3]*	(9,025)	NA	(20,309)	NA
Southland	(44,923)	NA	(44,923)	NA
Uni-Marts[2]	(2,986)	NA	894 –	7.0
DRUG STORES				
Arbor[3]	3,333 +	19.8	11,743 +	22.6
Big B	2,654 +	39.0	2,654 +	39.0
Drug Emporium[4]*	(649)	NA	(644)	NA
Fay's	1,537 –	16.2	1,537 –	16.2
Genovese	1,253 –	13.5	1,253 –	13.5
Longs	13,693 –	2.7	13,693 –	2.7
Perry[2]	1,549 +	39.7	4,098 +	59.6
Rite Aid[4]	44,694 +	14.6	124,016 +	15.6
HOME CENTERS				
Grossman	(4,164)	NA	(4,164)	NA
Hechinger	(51,041)	NA	(51,041)	NA
Home Depot	79,496 +	55.0	79,496 +	55.0
Lowe's	23,779 +	107.2	23,779 +	107.2
NON-STORE RETAILERS				
Fingerhut	9,590 +	12.9	9,590 +	12.9
Home Shopping Network[2]*	7,700 –	8.3	20,800 –	2.0
Lands' End	4,271 +	185.1	4,271 +	185.1
Lillian Vernon[4]	3,272 +	79.9	9,493 +	2.4
QVC Network*	11,492 +	702.0	11,492 +	702.0
Spiegel	1,037 +	2.0	1,037 +	2.0

N/A = not applicable because of loss in either current or comparable period
N/C = no change
*before extraordinary items or changes in accounting principles
†continuing operations only

[1]first quarter figures
[2]second quarter figures
[3]third quarter figures
[4]fourth quarter figures

Source: Company reports

SALES STILL SOFT, BUT UP, IN MAY

MOMENTUM SEEN AS ENCOURAGING

Sales for the nation's largest retailers inched up slightly in May, continuing the sluggish growth that began January in a big way but has softened ever since.

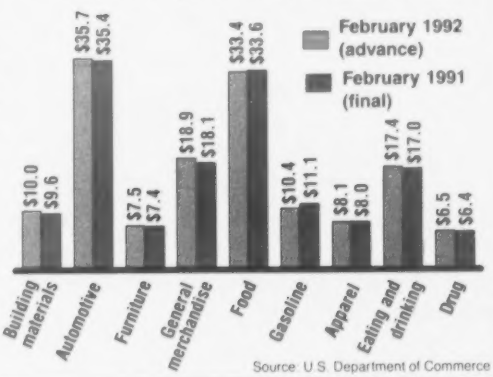
Micheal P. Niemira, vp of Mitsubishi Bank's New York-based economic research department, said that retail chain store sales posted a 4.5% gain in May, compared to a 7.4% gain in April. Although these figures suggest growth has slowed, Niemira said such a conclusion may not be valid, since May was the single strongest sales month of 1991.

Retailers generally complained that sales of their seasonal merchandise was adversely affected by abnormally cool weather. For Wal-Mart, the softness in seasonal merchandise appeared to have been offset by an extra Saturday selling day, Niemira said. Wal-Mart reports sales on a true calendar month.

J. C. Penney outpaced the industry for the third straight month, reporting an 8.8% increase in same-store sales. William R. Howell, Penney's chairman, attributed the growth to strong sales of children's and women's apparel.

MAY SALES

(Seasonally adjusted, figures in billions)



Source: U.S. Department of Commerce

CHAIN PERFORMANCE

Company	May '92 sales (000)	% change	% change comp. stores	YTD sales (000)	% change YTD	% change YTD comp. stores
Wal-Mart	$4,436,000	+27.0	+12.0	$16,086,000	+26.0	+12.0
Kmart	2,925,000	+ 6.7	+ 1.8	11,192,000	+ 7.8	+ 2.7
Sears	2,474,306	– 0.7	+ 0.3	10,147,377	+ 0.2	+ 2.2
Penney	1,195,000	+ 8.9	+ 8.8	5,026,000	+ 9.6	+10.8
Dayton Hudson	1,210,000	+13.6	+ 5.5	4,850,000	+11.6	N/R
May	805,800	+ 6.2	+ 1.5	3,096,500	+ 5.9	+ 1.2
Melville[1]	728,422	+ 4.8	+ 2.9	3,749,847	+ 5.1	+ 3.0
Walgreen[5]	631,840	+10.3	+ 6.6	3,085,838	+11.4	+ 7.7
Federated	488,100	– 5.0	+ 0.3	2,059,800	– 2.0	+ 3.4
Woolworth	368,000	– 5.1	– 0.6	1,617,000	– 3.4	+ 0.8
The Limited	489,200	+11.0	– 1.0	1,905,000	+10.0	N/C
Circuit City[2]	232,000	+19.0	+ 9.0	644,300	+15.0	+ 5.0
The Gap	191,000	+16.0	+ 3.0	780,000	+19.0	+ 4.0
Mercantile	199,900	+10.5	– 3.5	794,300	+10.9	– 2.7
Neiman-Marcus Group[3]	128,800	+ 4.7	+ 0.7	1,521,300	+ 2.7	– 1.5
Venture Stores	126,800	+10.9	+ 1.7	490,800	+14.4	+ 4.8
Edison Bros.	108,400	+ 7.2	N/R	435,300	+ 8.6	N/R
Rose's	124,094	–13.7	– 8.2	425,147	– 8.9	– 3.3
Jamesway	67,802	– 3.0	– 2.0	250,278	+ 3.0	+ 3.0
Charming Shoppes	96,500	+ 2.0	– 6.0	359,000	+13.0	+ 4.0
Ross	81,000	+11.0	+ 2.0	303,000	+11.0	+ 2.0
Value City[3]	51,200	+ 2.0	– 2.3	558,100	+13.9	+ 8.6
Dollar General	66,000	+24.6	+18.3	258,300	+26.1	+20.1
Best Buy[4]	78,000	+39.0	+ 9.0	246,000	+48.0	+17.0
Gottschalks	24,900	+ 8.7	+ 1.9	92,200	+ 7.4	– 0.3

[1]fiscal year ends Dec. 31 [2]fiscal year ends Feb. 28 [3]fiscal year ends July 31 [4]fiscal year ends Mar. 31 [5]fiscal year ends Aug. 31 N/R = not reported N/C = no change

Source: Company reports

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